Representative C. Allison Russo
The Ohio House of Representatives

Chairman Merrin, Vice-Chair LaRe, Ranking Member Rogers, and fellow members of the House Ways & Means Committee: I am excited to introduce and provide sponsor testimony for House Bill 454 – the Caregiver Income Tax Credit. Thank you to my joint sponsor, Representative Boyd, for working with me on this critical legislation to help alleviate the financial burden many Ohioans face when providing caregiving services for their aging or disabled loved ones.

Ohio currently has the 7th largest older adult population in the nation, and that population is rapidly growing. While Ohio's overall population is projected to grow only 1.6 percent by 2030, Ohio's 60-plus population is projected to increase by 30 percent in the next decade. As our population rapidly ages, the growing need for family caregiving is a major trend that affects nearly every Ohio family. In Ohio alone, an estimated 1.7 million people provide caregiving services for their aging and disabled loved ones. The cost of providing these services is significant: studies show that an average of 20% of a family's income goes towards paying for caregiving

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costs. A 2016 AARP study, "Family Caregiving and Out-of-Pocket Costs," reveals that caregivers, on average, contribute $6,954 to their loved one's care. This financial burden placed on caregivers also causes significant stress, further exacerbated by the duration and intensity of the care burden.

In order to successfully address the challenges of caring for a surging population of older adults and others living with chronic conditions, the state must develop innovative methods to enable caregivers to support their loved ones at home and in the community, while avoiding unnecessary costs to the state's health care system. House Bill 454 aims to provide one source of financial relief for the growing numbers of everyday Ohioans caring for a disabled adult child, aging parent, or aging/chronically-ill spouse.

Specifically, H.B. 454 authorizes a refundable income tax credit for a caregiver's unreimbursed eligible expenses to provide care for an adult family member who needs assistance with one or more daily tasks. The amount of the credit equals 50% of care expenses incurred during the

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taxable year, up to a maximum credit of $1,000. An eligible family member is an individual who is at least 18 years old, who possesses documentation from a licensed health care provider certifying a need for assistance with at least one activity of daily living (i.e., eating, toileting, transferring, bathing, dressing, or continence), and who is married to or cohabits with the caregiver or who is legally related to the caregiver and qualifies as a dependent of the caregiver or the caregiver's spouse for income tax purposes. Eligible expenses include: expenses for home improvements or alterations to improve safety, mobility, or independence; expenses for equipment and supplies used for at least one activity of daily living; and expenses for services such as respite care, adult day care, home care assistance, transportation, legal and financial services, and assistive living technology.

To qualify for the credit, the caregiver's Ohio modified adjusted gross income for the taxable year must be less than $75,000, or less than $150,000 if filing a joint return, and the caregiver must be an Ohio resident.

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House Bill 454 is a common-sense approach to ensuring Ohio's caregivers are able to keep more of their hard-earned money and better meet the needs of their aging and disabled loved ones at home. We must be bold in our approaches to mitigate the growing financial pressures of our aging population and respond to the caregiving realities of our neighbors, our friends, and our own families.

Thank you for allowing me to testify today, Mr. Chairman. I would be happy to answer any questions.